

This Week in Washington



WITH CONGRESSMAN
JO BONNER

President's Savings Plan is Underwhelming

Sunday, April 26th marked Debt Day for the 2009 fiscal year. Debt Day is the day the federal government starts paying for spending by borrowing money rather than using its revenue.

This means that from this day forward through the rest of the fiscal year, all of the money Washington spends will either be borrowed from other countries or borrowed from our children and grandchildren.

Last year, Debt Day fell on August 5 – over three months later than this year. In every fiscal year since 9/11, Debt Day has fallen at least three months after this year's Debt Day.

The reality of today's economy has struck Americans throughout the country. In fact, the Department of Labor announced the number of Americans filing first-time applications for

unemployment benefits rose 27,000 last week, pushing the number of workers receiving benefits for the first time to a record high – 640,000.

Meanwhile, the total number of Americans continuing to receive unemployment benefits hit a new record of 6.14 million people.

Families have been forced to cut back on their expenses, and as economic uncertainty continues, many across the country are looking to their leaders in Washington for real solutions during this difficult time.

Yet, President Obama and the Democratic leadership in Congress continue to press forward with unprecedented spending of taxpayers' dollars. In almost 100 days in office, the president has accumulated \$564 billion in new debt.

In February, the president and the Democratic-controlled Congress passed a trillion-dollar spending bill littered with billions of dollars in wasteful spending.

In addition, the Democrats passed a \$410 billion omnibus spending bill and another \$350 billion in bailout funds. Most recently, the president proposed a budget that calls for record spending.

According to the Congressional Budget Office (CBO), the president's budget will produce \$9.3 trillion in deficits over the next ten years, doubling the national debt in eight years. By 2012, the American people will be paying \$1 billion a day in net interest.

The debt per capita is currently about \$35,000, and in just eight years, it will be \$70,000. Racking up debt at the current pace is simply unsustainable.

Outraged over this out of control spending, hundreds of thousands of people held tea parties in over 2,800 locations across the country earlier this month.

Concerned about the direction in which our country is headed as well as about what that future will hold for their children and grandchildren, citizens from all walks of life stood shoulder to shoulder in a stand of solidarity to express their outrage and frustration over the spending, taxing, and borrowing that is occurring at a record pace in Washington.

Days after these protests, which were largely ignored by the liberal media, the president asked his cabinet to cut \$100 million from the budget over the next 90 days to try and trim a budget deficit projected to reach \$1.4 trillion next year. His plan, according to the Washington Post, “sounds, to some veteran federal budget watchers, like fodder for a Jay Leno monologue.”

He didn't ask his Cabinet to trim \$100 million from each of the 15 departments or even ask them to trim \$100 billion; he asked his Cabinet to cut a collective \$100 million from the entire federal budget.

Friends, with federal government spending more than \$4 trillion during this fiscal year alone, this amounts to a paltry .0025% “savings.”

The Associated Press did the math, and determined that by cutting “a latte or two out of your annual budget” you’ve just done as much belt-tightening as President Barack Obama asked of his Cabinet—the thrifty measures Obama ordered for federal agencies are the equivalent of asking a family that spends \$60,000 in a year to save \$6.”

N. Gregory Mankiw, the former head of President Bush’s Council of Economic Advisors, made a similar argument.

“To put those numbers in perspective, imagine that the head of a household with annual spending of \$100,000 called everyone in the family together to deal with a \$34,000 budget shortfall. How much would he or she announce that spending had to be cut? By \$3 over the course of the year – approximately the cost of one latte at Starbucks,” Mankiw wrote.

“The other \$33,997?” he continued. “We can put that on the family credit card and worry about it next year.”

My staff and I work for you. If we can ever be of service, do not hesitate to call my office toll free at 1-800-288-8721.

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For release the week of Monday, April 27, 2009. For more information please contact Mike Lewis at (202)225-4931.